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USIB/IRAC-D-22.1/22  
22 July 1974  
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UNITED STATES INTELLIGENCE BOARD  
INTELLIGENCE RESOURCES ADVISORY COMMITTEE

MEMORANDUM FOR USIB PRINCIPALS  
IRAC PRINCIPALS

SUBJECT: Summary Report for the President  
on FY 1974 Objectives

REFERENCE: USIB-D-22.1/6, 7 September 1974,  
Memorandum for USIB Principals

The Director of Central Intelligence has requested that the enclosed correspondence to the Office of Management and Budget be circulated to USIB and IRAC Principals for information.



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Executive Secretary

Enclosure

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USIB/IRAC-D-22.1/22

22 July 1974

**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D. C. 20505

18 July 1974

MEMORANDUM FOR: Mr. Fred Malek  
Office of Management and Budget

SUBJECT : Summary Report for the President  
on FY 1974 Objectives

The attached interim report responds to your memorandum of 28 June, subject as above. I have titled my submission "interim report" since I intend to cover the Intelligence Community response to the FY 1974 objectives more fully in my annual report to the President, scheduled for submission in October.

/s/

W. E. Colby

18 July 1974  
Attachment  
Interim Report

THE DIRECTOR OF CENTRAL INTELLIGENCE 22 July 1974

WASHINGTON, D. C. 20505

18 July 1974

Interim Report on FY 1974 Objectives  
for the Intelligence Community\*

1. The five objectives for the Intelligence Community, as approved by the President on 23 September 1973, were based on the Presidential memorandum of 5 November 1971 on "Organization and Management of the Intelligence Community," and were supported by 24 identified tasks and eight sub-tasks.

2. The following are highlights of actions keyed to the five objectives.

Assure authoritative and responsible leadership for the Community as a whole.

-- Providing this leadership has been my principal focus throughout the year and is reflected in responses to the other objectives. A determined effort has been made to establish substantive intelligence needs of the US Government as the driving force for work of the Intelligence Community.

-- Key Intelligence Questions (KIQs) were promulgated, in coordination with members of the National Security Council Intelligence Committee, as guidance for near-term collection and production activity on matters of high current interest. New KIQs are being formulated for FY 1975.

-- "The DCI's Perspective of the Intelligence Environment" was disseminated in August 1973 throughout the Community as guidance. The document described trends in the world situation expected to have an impact on intelligence tasks and identified the primary intelligence problems to which attention needed to be directed. A new "Perspective" paper for 1975-1980 is being drafted.

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\* The annual report to the President by the Director of Central Intelligence, to be submitted in October, will provide a fuller treatment of the Intelligence Community response to the FY 1974 objectives.

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Review responsiveness of US foreign intelligence activities to national requirements and improve the quality, scope and timeliness of the Community's product.

-- New product forms were introduced, including a National Intelligence Daily for about 50 NSC and Cabinet-level readers and a National Intelligence Bulletin, replacing the former Central Intelligence Bulletin. The NIB is expected to provide participating organizations greater opportunity to indicate differing or dissenting views.

-- A program to identify and correct deficiencies in analysis and collection was initiated, one feature of which was the post-mortem on Community performance in the October 1973 Middle East crisis.

-- A KIQ Evaluation Program (KEP) was initiated to measure Community progress in satisfying a selected number of KIQs.

Achieve a more efficient use of resources by the Community in the collection of intelligence information.

-- The Intelligence Resources Advisory Committee (IRAC), assisted by the Intelligence Community Staff, reviewed the 1975 budgets and programs of all national intelligence organizations. The conclusions were contained in the National Foreign Intelligence Budget Recommendations for FY 1975 submitted to the President. I appeared before four congressional committees in defense of these recommendations.

-- A system of quarterly reviews of resource utilization by all intelligence entities was undertaken by the IRAC.

-- The IRAC Working Group initiated studies of a series of important specific program issues involving significant amounts of resources. Some of these issues and others requiring resolution this year will be highlighted during the FY 1975 program presentations to the IRAC.

-- An Intelligence Research and Development Council was established under the IRAC. One task was to review all R&D activities within the National Foreign Intelligence Program and recommend opportunity areas which hold

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promise for eliminating identified gaps. The Council is to propose a follow-on program of activities which will promote a coordinated and shared RDT&E program intended to assure a minimum of overlap or duplication and a maximum of cross-program technology application.

Review and revise intelligence functions within the Community to improve performance.

-- The Board of National Estimates was abolished and 12 National Intelligence Officers were appointed as my personal representatives to improve the responsiveness of the Community to intelligence needs of policymakers.

-- A study of the interface between national and tactical intelligence activities was undertaken jointly by representatives of the Secretary of Defense and the DCI.

-- A National Operations and Intelligence Watch Officers Net, a secure voice conferencing system for improved reporting of indications and warning information, was developed, tested and put into operation.

-- A Human Sources Committee was established as a permanent element of the United States Intelligence Board structure.

Ensure intelligence is provided to enhance formulation of US foreign, military and economic policies and to support the readiness of US military forces.

-- Both the National Intelligence Officer program and the use of Key Intelligence Questions as guidance for collection and production on matters of high current interest contributed to this objective.

-- New emphasis was put on improving and expanding production of foreign economic intelligence, and on improving US knowledge of the strategic capabilities of the USSR and PRC.

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3. The specific tasks identified in support of the five objectives included both tasks which could be completely accomplished within the year and projects which will require attention over a continuing period. Overall, I consider that satisfactory accomplishment or progress was achieved in more than three-fourths of the tasks. In two instances, tasks were quite clearly redundant and were eliminated, and progress was slower on a few tasks than I had anticipated. As a case in point, in response to the President's charge that tactical intelligence be included in the National Foreign Intelligence Budget Recommendations, one of the major FY 1974 tasks was to be completion of a joint Secretary of Defense-DCI study of the national/tactical intelligence interface. Work is well underway, but still far from completion, and in retrospect the original schedule for accomplishment of what is clearly a very complicated task was unrealistic.

4. From the DCI level, much of the management-by-objective process is necessarily permissive rather than directive since the DCI has no authority to direct accomplishment of tasks by organizations within the federal departments. The identification of objectives and of tasks related to movement toward those goals served a useful purpose, however, and was supported by a high level of cooperation throughout the Community. The FY 1975 effort, for which objectives already have been developed and milestones established, will benefit from the FY 1974 experience.

W. E. Colby